



REPUBLIC OF KENYA

**SPEAKING NOTES FOR HON. REBECCA MIANO, EGH,  
CABINET SECRETARY, MINISTRY OF INVESTMENTS,  
TRADE, AND INDUSTRY DURING THE INDUSTRIAL  
DIALOGUE DINNER (PART OF MADARAKA DAY  
CELEBRATIONS, 2024) AT WANANGALI SPORTS  
LOUNGE, BUNGOMA 30TH MAY 2024 FROM 4.00 PM**

**SALUTATIONS**

- Chair, Council of Governors and Governor Kirinyaga County, Her Excellency Anne Waiguru,
- Governor Bungoma County, Excellency Ken Lusaka
- Principal Secretary, State Department of Industry, Dr. Juma Mukhwana,
- Principal Secretary, State Department for Trade, Mr. Alfred K' Ombudo
- Principal Secretary, State Department for Investments Promotion, Mr. Abubakar Hassan Abubakar
- Principal Secretary, State Department of Crops Development, Mr. Philip K. Harsama,
- Country Representative United Nation Industrial Development Organization (UNIDO), Ms. Tally Einav,

- Development Partners present,
- Chief Executive Officers Presents
- Kenya Association of Manufacturers CEO, Antony Mwangi,
- Government Officials present,
- Private Sector Representatives here with us today,
- Ladies and Gentlemen,

**Good evening.**

1. I am delighted to grace this occasion and share my thoughts at this event organised by the State Department of Industry under the Ministry of Investments as part of pre-Madaraka Day events. So welcome and thank you for honouring our invitation.
2. That my topic today is **"The contribution of agricultural value chains to Kenya's industrialisation,"** while the Madaraka Day's theme for this year is "Agriculture and food security," is certainly no happenstance.

3. Industrialisation plays a crucial role in promoting agriculture and food security. This happens when value addition, employment of new technologies and innovations, addressing post-harvest losses, market access, and machinery and tools that support agricultural production and agro processing take place. Besides, agriculture provides the raw materials needed for agro-processing industries.

4. Kenya's manufacturing sector plays a significant role in our economic development and employment creation. It generates new products for markets, stimulates the agriculture sector's growth, and offers numerous opportunities for export expansion. Between 2020 and 2023, the performance of Kenya's agriculture oscillated between 7.9 and 7.6, respectively. According to the 2024 Economic Survey, agriculture's contribution to our Gross Domestic Product was 7.6, down from 7.7% in 2023. Manufacturing sub-sectors that registered significant growth in output volume in 2023 were

motor vehicles, trailers and semi-trailers, processing, preservation of fish, fabrication of basic metal products, and manufacture of sugar.

5. The agriculture sector's contribution to our Gross Domestic Product in 2023, as indicated in the 2024 Economic Survey, stood at 7.0%. While this figure is significant, it does not fully exploit the sector's potential.

6. The agro-processing sector has faced and continues to face numerous challenges that hinder its growth and development. These challenges include limited access to land for industrial development, fragmented, small areas with low yield per acre, and low productivity by farmers, leading to high aggregation costs and high cost of inputs. Other challenges are limited development of input manufacturing, high post-harvest losses that affect the quality and quantity for feasible value addition, limited capacity of value addition, lean processing technologies, inadequate linkages between small-scale

production sector and large commercial activities, inconsistency in the supply of quality and quantity raw materials for processing, inadequate market, and marketing information alongside inhibitive policies, laws, and regulations.

7. Kenya Kwanza's Bottom-up Economic Transformation Agenda (BETA) model is geared towards bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving the country's foreign exchange balance as well as creating a conducive environment for inclusive growth. Under BETA, the Government has zeroed in on five core pillars: agriculture, Micro, Small, and Medium enterprises (MSME) economy, Housing and Settlement, Healthcare, Digital superhighway, creative economy, and Environment and climate change. In this set-up, industrialisation—or manufacturing, if you may—plays a key catalyst role and enabler across the five pillars.

8. We are, therefore, committed to growing start-ups and Small and Medium Industries (SMIs) and shoring up the contribution of our manufacturing sector to our GDP from 7% to 20% by 2030. We are also resolute in our determination to increase the share of exports to GDP to 30% from the current 10%, over and above increasing our foreign direct investment from the current \$500 million to an ambitious but attainable \$10 billion annually.

9. This will be achieved through growing value chains across several industries, such as leather, agro-processing, edible oils, cotton, garments and textiles, and building materials, among others. If fully developed, these sectors hold the secret to our dream of expanding opportunities yet to be fully exploited in their respective value chains and earning Kenya the much-needed foreign exchange, in addition to creating thousands of jobs for our people.

**Ladies and Gentlemen,**

10. History is replete with examples of industrial breakthroughs that transformed economies hitherto based on agriculture and handicrafts into large-scale industrial economies teeming with concerns ranging from mechanised manufacturing and the factory system. In that transition, we learn how new technologies, modernised machinery, new power sources, and new ways of organizing work can transform industries, making them more productive and efficient.

11. In our quest to promote industrialization, my Ministry is establishing County Aggregation Centres and Industrial Parks (CAIPs) across the country in all 47 Counties. These Parks will not only grow agro-industry value chains but also give life to the export-led growth economic model. The main objective of CAIPs is to increase manufacturing and investments through agro industries to enhance the agriculture sector's

competitiveness and create inclusive and decent jobs while promoting productivity at the farm level. This model will also increase farmers' income and exports, attract foreign exchange, and, ultimately, lead to faster growth of our economy. Additionally, this model will provide a platform for stakeholders' engagement in our bid to promote industrialization in Kenya.

12. My Ministry, in partnership with County Governments, is implementing the CAIPs program in phases. Through CAIPs, my Ministry is committed to ensuring strict adherence to internationally approved standards on value-added products. So far, 18 Parks have been initiated in a continuing program that aims to be concluded by 2027. The County Government of Bungoma is part of phase one.

13. My Ministry is also promoting the establishment of special economic zones and Export Processing Zones,

which are meant to unlock large-scale manufacturing and expand the room for more domestic investments.

14. Further, ladies and gentlemen, the application of the right technology, research, and development to support agriculture is the way to go if we want to increase production. Innovation in technology will undoubtedly yield the desired multiplier effect we hope for. My Ministry, through the Numerical Machining Complex and the Kenya Industrial Research and Development Institute (KIRDI), is leading from the front with regard to supplying machinery and machine parts needed for the growth of agro-processing and manufacturing in general.

15. Further, in promoting access to market for industrial and agricultural products, my Ministry has signed several bilateral and multilateral agreements. These include the European Partnership Agreement (EPA) and others with the East African Community

(EAC), the African Continental Free Trade Area (AfCFTA), and the Common Market for Eastern and Southern Africa (COMESA). Meanwhile, discussions are ongoing for the extension of the African Growth and Opportunity Act (AGOA). We have no reason not to stick to the required compliance standards and take full advantage of these markets to create more employment opportunities and increase our inflow of foreign exchange.

16. Therefore, to grow our agro-processing and consequently expand our economy, consultative and strengthened collaboration between stakeholders is needed, as well as concerted efforts to build synergies with National and County Governments, the private sector, and development partners.

17. As I conclude, ladies and gentlemen, allow me to thank the County Government of Bungoma for hosting us today and for the continued support it has

consistently extended to us. Thank you, PS, State Department for Industry, and your team, for organizing this form of engagement. Further, I thank each of you for accepting to be part of this unfolding dialogue.

18. Let us immediately make agriculture the source and lynchpin of Kenya's industrial take-off. That way, we shall develop our agriculture and industries, ultimately improving the livelihood of our people and growing our economy as desired.

**Thank you very much, and God bless you all.**